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**DECISION**

**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548

FILE:

B-1960

DATE: September 21, 1979

MATTER OF:

*AGC00001*

Department of the Navy--Advance  
Decision

*Bid Withdrawal from Dep. of Navy Contract*

DIGEST:

*[Request for Bid Withdrawal]*

Bidder which refuses to verify bid price because it erroneously estimated costs to be substantially lower than price quotations subsequently received from suppliers may have bid withdrawn or rejected.

*AGC000175*

*CNS00226*

*GAO*

The Department of the Navy, Naval Sea Systems Command (Navy) requests our advance decision as to whether Granite State Machine Co. (Granite) may be permitted to withdraw its bid or whether the contracting officer may reject the bid on invitation for bids (IFB) N0002479-B-4360 for anti-slack devices and related equipment. The basis for the request is that Granite has alleged a mistake in its bid price due to its incorrect estimates of certain items. We conclude *see end* that the bid may be withdrawn or rejected.

Bid opening revealed that Granite's bid of \$576,600 was substantially lower than the three other bids received, which ranged from \$950,374 to \$1,237,900. In light of this sizeable price variance, the contracting officer requested Granite to verify its bid. Granite responded that it could not verify its bid. Granite states that it had been unable to obtain price quotations from the vendors of certain items prior to bid opening, and therefore had submitted a bid based on estimated costs. The quotations subsequently obtained after bid opening revealed that Granite had significantly underestimated the costs of these items. Granite states that its bid should have been \$714,500. In support of its mistake, Granite submits a sworn statement detailing its efforts to obtain the correct prices prior to bid opening, its worksheets and quotations from the suppliers of the items mispriced, dated after bid opening.

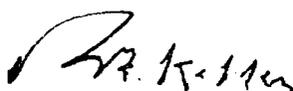
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The Navy believes that Granite's error was one of business judgment, as opposed to a mistake in the bid intended to be submitted, and it questions whether such an error justifies withdrawal or rejection of the bid.

The Navy is correct in that relief is not allowed for certain types of errors in judgment. These include such things as failing to foresee that an intended performance approach would not succeed, and incorrectly estimating the length of time it will take to complete performance. B-153279, October 21, 1964; 51 Comp. Gen. 18 (1971). The error involved here, however, is based on an erroneous assumption for which we have granted relief in cases where the bidder used an obsolete catalog or was ignorant of actual manufacturing costs. B-145192, March 16, 1961; B-162379, October 20, 1967. We allowed relief where, as here, the contracting officer was on notice of a possibility of mistake because the bid was significantly lower than the other bids received.

Where a bidder discovers that it made a mistake in its bid and furnishes evidence of such mistake to the contracting officer, after bid opening but before award, the bid may be withdrawn regardless of the bidder's negligence in making the mistake. The contracting officer would be overreaching to accept an unrealistic low bid with the knowledge that the bid was based on a mistake. Ruggiero v. United States, 190 Ct. Cl. 327, 420 F. 2d 709 (1970).

There is no question that a mistake was made and the Government may not, in good faith, accept the bid as submitted which the bidder has refused to verify. The bid may be rejected or withdrawn from consideration for award, 41 Comp. Gen. 289 (1961).

  
Deputy Comptroller General  
of the United States